

News focus

Research costing plans raise fears

The British government is proposing a new accounting scheme so that universities can estimate the full economic cost of research projects which may affect the traditional approaches to their funding.

Nigel Williams reports.

Britain's drive to put universities on a different funding base, which is also a key issue in many other countries scrutinising their higher education sector, continues to force major changes to traditional practice. One of the latest moves is to introduce measures to allow universities to estimate the full economic cost of its research projects, so that they are fully aware of these and can therefore charge appropriately. The process raises fears about future research funding within the scientific community.

University finance and research offices have spent months poring over a three-volume manual detailing the new 'full economic costing model' that they will be expected to adopt for all research funding applications from the start of next year.

The manual, which includes a request for a lead investigator to keep a diary during a research project, has sparked fears that the government may be tying up researchers in yet more red tape.

Universities UK (UUK), the body representing university heads, confirmed this month that institutions were taking the changes extremely seriously, with many employing new members of staff specifically to deal with the complicated new requirements.

The new proposals build on the government's research assessment exercise (RAE), a massive study every four years of the quality of university research department by department, that determines how much core research funding universities will receive from the government, regardless of individual projects. Such funds provide a linchpin for universities' abilities to attract research projects that will not pay the full cost of the work.

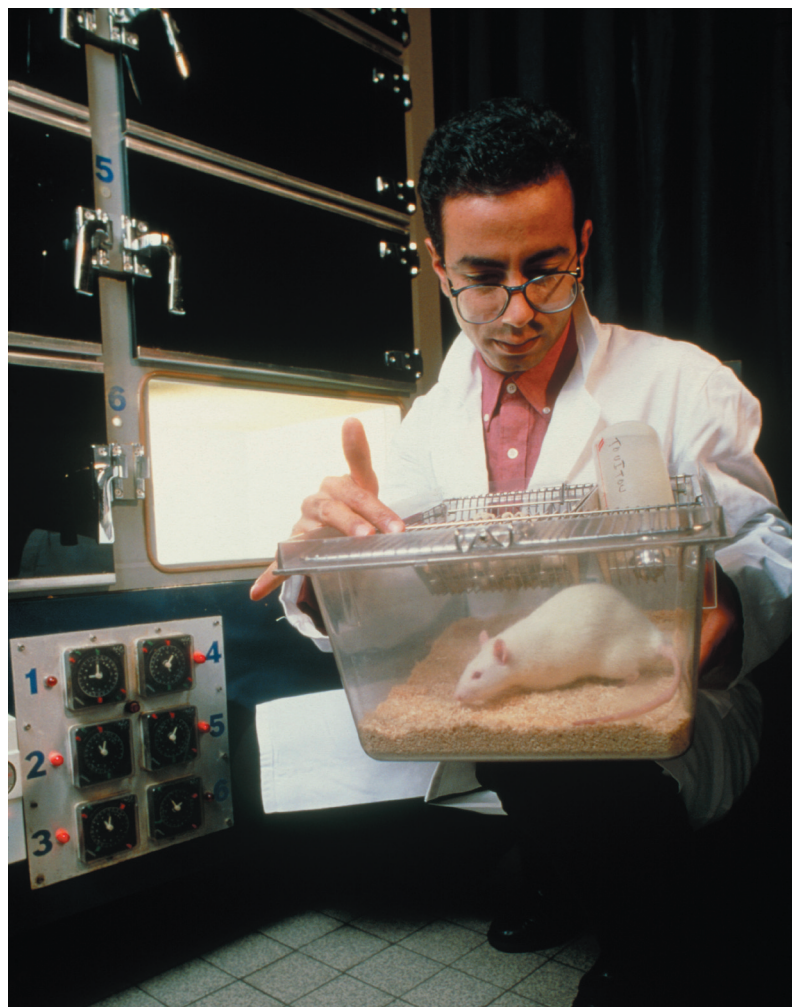
Eric Thomas, vice-chancellor of Bristol University, which has a pro vice-chancellor working full-time on the issue said: "Full economic costing is incredibly important. It will alter the research environment significantly more than the research assessment exercise."

There is no argument about the need for universities to identify and pay for all their research overheads from research

equipment to staff time.

Academics and funders agree that the current system, with universities unsure of what their real costs are and research grants generally falling well short of covering them, is unsustainable.

Cambridge University, considered in a recent survey to be the third in a world ranking of research, is suffering particular problems. It is in deficit by £2.3 million, partly as a result of the volume of research contracts it attracts but which are not fully funded. Andrew Reid, the university's finance director, said



Minute by minute: Lead investigators face the prospects of having to record detailed time-keeping in their research projects to allow universities to estimate the full economic cost of their work. (Picture: Science Photo Library.)

that the university's deficit was partly due to a 25 per cent increase in sponsored research in the past two years. "Research funding does not cover the total overhead costs and so the university is left out of pocket."

Senior figures have argued that the new costing strategy will have to be monitored carefully to ensure that it does not damage the research environment it is designed to protect.

David Wallace, vice-president of the Royal Society, said: "I fear that this has been driven by consultants and accountants who almost certainly don't understand what research is about."

"Although it didn't say academics had to keep timesheets, it did imply they had to log time," he said. "If this kind of detail was imposed on academics, it would be a serious risk to our excellent research culture."

In a recent written statement to the government, UUK took a similar line, praising the system but urging: "Requirements on institutions to demonstrate their use of the full economic costing should be proportionate and not represent an additional regulatory burden."

But a spokesperson for the Office of Science and Technology dismissed fears about red tape. He said academics had always to write down how much time they expected to spend on research projects when they were applying for funding, adding: "They will not be audited or policed on it. And there will be no timesheets."

Under the new system the research councils will eventually be expected to cover the full costs of the research they fund. The treasury's ten-year investment plan for science, published last month, included an extra £80 million to move towards this goal. Experts in the sector estimate that the councils should soon be able to cover about 70 per cent of costs, leaving universities to find the remaining 30 per cent.

A spokesperson for the Association of Medical Research Charities, whose members fund a substantial proportion of UK

biomedical research as well as university infrastructure projects, supported the new proposals but emphasised that their funding was quite distinct from that of the research councils. "Because of the difference in their cultures and purpose, charities will not fund research in the same way as the research councils, which pay an agreed percentage of costs." Some charities fear that the need for universities to meet some of the overhead costs of their project might lead to a shunning of funds from the sector. But the spokesperson believed that "universities should not see charity funding as an obstacle or a problem".

The government has planned an extra £90 million to the Higher Education Funding Councils to allow universities to support the cost of charity-funded university research.

While most universities insist they will play by the book and charge for all the costs they identify, there are fears that a few might try to undercut their competitors with artificially low bids.

There is a potential problem of universities putting expensive people into principal investigator positions instead of junior staff. That would mean the junior person who was going to be co-principal investigator would no longer get a foot on the ladder.

The OST said that it was aware of the anxieties, but it insisted that it did not want to introduce regulations to deal with problems that may never occur.

Problems facing modern university managements have been highlighted by a book published earlier this month by an academic at Cambridge University. The university is phenomenally successful in terms of research, but, Gillian Evens, chair of medieval theology and intellectual history, believes the management structure of the university has led to severe problems.

One of the hopes for the new scheme is that highly successful universities such as Cambridge can be helped to put their research funding into the black.

UK cloning moves prompt questions abroad

Germany, along with many other countries, is pondering Britain's decision to allow a short-term, limited licence to clone human embryos for research. **Michael Gross** reports.

This summer's silly season in Germany was not what it used to be. Certainly, there was some entertainment ranging from chancellor Schröder and his fourth wife adopting a Russian orphan child, through to the nation-wide wasp infestation, bad weather, and Olympic medals or lack thereof, not to mention the renewed row over orthographical matters. But some serious political concerns continued to pop up, utterly spoiling the seasonal fun.

The fear of losing out in the current reforms of the welfare system drove many people to the streets. But academic and research matters have also raised their head during this summer season. The constitutional court toppled the federal law introducing junior professorships on the grounds that it violated state autonomy in educational matters. And the news that the British authorities had granted permission for therapeutic cloning launched another big bioethics debate. Germany was just one of many countries pondering the research and ethical implications of that landmark decision.

Among the industrialised countries, Germany has some of the most restrictive legislation on cloning research. As human life is protected by law from the very moment when a sperm merges with an egg cell (no matter whether this happens *in vitro* or *in vivo*!), any research involving the destruction of blastocysts is strictly forbidden. Researchers may import human embryonic stem (ES) cells subject to an individual licence from a national authority, and only if the cell lines